

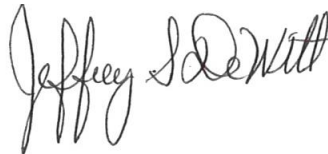
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: January 28, 2020

SUBJECT: Fiscal Impact Statement – Legitimate Theater Sidewalk Café
Authorization Amendment Act of 2020

REFERENCE: Bill 23-228, Committee Print as shared with the Office of Revenue
Analysis on January 28, 2020

Conclusion

Funds are sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill.

Background

The District Department of Transportation (DDOT) permits businesses to rent public space adjacent to their establishments for the purposes of operating a café as an outdoor dining space. DDOT approves plans for a sidewalk café through its public space review and permitting process¹ and charges rent of \$5 per square foot for an unenclosed café and \$10 per square foot for an enclosed café.² The Alcoholic Beverage Control Board (Board) also permits its licensees with sidewalk cafes to serve alcohol for on-premises consumption within the sidewalk café if it obtains a sidewalk café endorsement on its Board-issued license.³

¹ 24 DCMR § 300 et seq.

² Omnibus Budget Support Act of 1992, effective September 10, 1992 (D.C. Law 9-145; D.C. Official Code § 10-1102.02(a)).

³ Omnibus Alcoholic Beverage Amendment Act of 2004, effective September 30, 2004 (D.C. Law 15-187; D.C. Official Code § 25-113a(c)).

The Honorable Phil Mendelson

FIS: Bill 23-228, "Legitimate Theater Sidewalk Café Authorization Amendment Act of 2019," Draft Committee Print as shared with the Office of Revenue Analysis on January 28, 2020

The bill authorizes DDOT and the Board to issue permits and endorsements for the establishment and use of a sidewalk café by a legitimate theater.⁴ Legitimate theaters currently have the ability to apply for a sidewalk café and Board endorsement under a temporary version of this bill passed by the Council in 2019.⁵

Financial Plan Impact

Funds are sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill. According to Department of Consumer and Regulatory Affairs data, there are eleven businesses with a Theater (Live) license.⁶ DDOT can absorb any costs associated with the review and permitting of a sidewalk café within its existing budgeted resources. The Board can also review and approve a sidewalk café endorsement for any of its eligible licensees with its existing budgeted resources. Given the small number of live theaters licensed in the District, any potential sidewalk café rental or Board endorsement revenues are expected to be de minimis.

⁴ Legitimate theater is defined as "a building, or a part of a building, that is designed and used for the presentation of live plays and other forms of dramatic performance. The facility typically has a stage or other performing area plus tiers of seats for the audience, or other arrangements for the audience to sit or stand to view the performance."

⁵ Legitimate Theater Sidewalk Café Authorization Temporary Amendment Act of 2019, effective August 31, 2019 (D.C. Law 23-15; 66 DCR 12344).

⁶ There may be some legitimate theaters licensed under a different DCRA license category, but that number is unknown.